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TAGS: PGOV PREL ETTC SOCI TS

SUBJECT: CABINET RESHUFFLE HIGHLIGHTS BEN ALI FOCUS ON
DOMESTIC AFFAIRS

REF: A. TUNIS 1171

1B. TUNIS 313

Classified By: CDA MARC DESJARDINS FOR REASONS 1.4 (b) AND (d)

SUMMARY

11. (C) Following recent reshuffles of officials in the ruling party and regional governors (Ref A), President Ben Ali made a minor reshuffle to his cabinet on September 3. Five new ministers were appointed (for Public Health; Tourism; Trade and Handicrafts; Communications Technologies; and Women, Family, Children and Elderly Affairs), along with three deputy ministers. As is often the case, the change is largely a reshuffle of portfolios among well known GOT officials with one minister taking on new portfolios and three deputy ministers being promoted. The change seems to have been driven by the need for reform in Tunisia's public health sector, which is notoriously underfunded and understaffed, with other changes focused on the need for economic development. Despite speculation that a major reshuffle was in the works, the Prime Minister and the four "sovereign" ministers (Foreign Affairs, Interior, Defense and Justice) were unchanged. End Summary.

12. (U) On September 3, the Tunisia-Africa Press Agency (TAP) announced that President Zine El Abidine Ben Ali appointed five new ministers and three secretaries of state (deputy ministers), as follows:

-- Mondher Zenaidi, Minister of Public Health
-- Ridha Touiti, Minister of Commerce and Handicrafts
-- Khelil Lajimi, Minister of Tourism
-- Haj Gley, Minister of Communication Technologies
-- Sarra Jarraya, Minister of Women, Family, Children and Elderly Affairs
-- Abdelhamid Triki, Secretary of State for Development and International Cooperation in charge of International Cooperation and External Investment
-- Ahmed Dhouib, Secretary of State for Education and Vocational Training
in charge of Vocational Training
-- Najoua Miladi, Secretary of State for Public Health
in charge of Hospital Establishments

PUBLIC HEALTH

13. (C) The dilapidated state of Tunisia' public health sector seems to have been the impetus behind this cabinet reshuffle, with the removal of both the minister (formerly Ridha Kechrid) and the deputy minister (formerly Nezih Escheikh).

While public health is free, most Tunisians agree that the sector is woefully underfunded and understaffed. In recent years, Tunisia's private health sector has boomed, and a medical tourism sector has even developed (Ref B). But those unable to afford private care are forced to wait for extended periods to receive care in decades-old public hospitals that lack modern equipment and supplies. New minister Zenaidi was most recently minister of Commerce and Handicrafts and will be tasked with revitalizing a sector that was once the pride of Tunisia. However, ongoing budget constraints, particularly in light of record oil prices, means Zenaidi will be hard pressed to address the lack of funding that is a fundamental challenge to the public health sector. He is the first Minister of Public Health who is not a doctor by profession and is expected to bring some much needed management expertise to the Ministry. Zenaidi has been a minister for over 13 years, at Tourism, Commerce and Handicrafts (in various configurations) since 1995 and Minister of Transport (1994-95). Born in 1950, he has been a public official since graduating from university in 1977 and is also a member of the ruling Democratic Constitutional Rally (RCD).

COMMERCE

¶4. (C) Zenaidi's departure from the Ministry of Commerce and Handicrafts is unlikely to indicate plans for increased economic liberalization, as he was replaced by long-time public servant Ridha Touiti. In fact Touiti, born in 1950, is believed to be a Zenaidi protege. He held lower-ranking positions in the ministries of industry, economy and commerce for over twenty years before a brief stint in the private sector in 2006. While his impact on the US-Tunisia trade

relationship remains to be seen, those who know Touiti say he has not historically been in favor of liberalization. Rather, he is known to be a controlling proponent of socialist policies.

COMMUNICATIONS TECHNOLOGIES

¶5. (C) Haj Gley, a former Chief of Staff to the Minister of Communications and most recently the Director General of the Post Office, replaced Montassar Ouaili, who oversaw Tunisia's hosting of the 2005 UN World Summit on the Information Society. Ouaili had been expected to depart when his (ultimately unsuccessful) bid for ITU Secretary General was announced in 2006. His recent departure follows a major reshuffle in the state-owned communications industry (including television and radio), and Gley's appointment is likely hoped to spur increased investment in Tunisia's IT sector. Despite GOT hopes of becoming a regional IT power, the sector has not grown as expected. Yet Gley, who is 53 and has limited IT experience, does not seem to have the dynamism of Ouaili, an extroverted and knowledgeable UCLA graduate. It is unclear if Gley is likely to move forward with plans Ouaili had announced for several telecom developments on the horizon, including the introduction of a second fixed line and third mobile license, and the sale of the remaining GOT stake in Tunisie Telecom.

WOMEN, ETC.

¶6. (C) Despite its wide mandate, this minister is widely believed to serve at the discretion of First Lady Leila Ben Ali. While other ministers may deliver speeches on behalf of President, Leila Ben Ali is the public face of most social issues related to women and children. The appointment of Jarraya, who was formerly the deputy minister, suggests that former minister Saloua Ayachi Labben had some sort of falling out with the First Lady. Jarraya, a doctor born in 1948, has years of experience working on social issues in Tunisia as

well as in international fora.

TOURISM

¶7. (C) Given the recent strong performance of Tunisia's tourism sector (which generates a fifth of hard currency reserves), the removal of former minister Tijani Haddad is somewhat of a surprise. However, the appointment of former Secretary of State for International Cooperation Khelil

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Lajimi is unlikely to change the orientation of Tunisia's tourism sector. Lajimi has a strong background in economics and industry and should bring a fresh eye to promoting Tunisian tourism. His appointment may be another indication of Ben Ali's efforts to energize his cabinet by injecting younger (Lajimi is 44), more dynamic officials.

COMMENT

¶8. (C) Given the glacial pace of reform in Tunisia, it is unlikely that any of these officials will have a significant impact on the involved ministries or the US-Tunisia bilateral relationship. Further, many observers opine that the real power in the GOT lies with the "shadow cabinet" at the Presidential Palace in Carthage. This is particularly true at those ministries (including all of those with new ministers) that the GOT considers to be "technical" rather than "political". Notably absent in the reshuffle were the four "sovereign ministries" (Foreign Affairs, Interior, Defense and Justice), although some observers had suggested FM Abdallah might be appointed Prime Minister. Despite eight years on the job and a stated desire to step down, there are few indications that Prime Minister Mohamed Ghannouchi, perhaps one of the most respected GOT officials on the scene, is on his way out. End Comment.

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